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Civil Service Retirement Changes

OLL 84-0617
13 February 1984

MEMORANDUM FOR: Deputy Director, Office of Legislative Liaison

STAT FROM: [redacted]
Legislation Division

SUBJECT: Effect of FERCTA on CIARDS

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1. As you know, on 29 November 1983, the President signed the "Federal Employees' Retirement Contribution Temporary Adjustment Act of 1983 (FERCTA)" into law to alleviate temporarily the dual retirement contribution burden on certain federal employees and new hires (post 31 December 1983), who would have become subject to Social Security coverage as well as federal retirement coverage. This act limited the retirement contribution for these employees to a rate comparable to the rate paid by employees who are covered only by Civil Service or another federal retirement system. You have asked what impact FERCTA will have upon the availability of CIARDS for new CIA hires.

2. FERCTA explicitly includes CIARDS within the term "covered retirement system" used in the act. FERCTA §203(a)(2). FERCTA also provides that any new hire shall become subject to the new supplemental Government retirement system yet to be established. FERCTA §207(a). Section 207(b) of FERCTA indicates that credit earned in a covered retirement system (i.e., Civil Service and CIARDS) shall be transferred to the new Government retirement system and shall not be creditable to the covered retirement system. Consequently, once a new supplemental federal retirement system is enacted, FERCTA precludes new hires from obtaining creditable service in and from joining CIARDS.

STAT [redacted]

STAT cc: [redacted] Liaison

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